

House File 669 - Introduced

HOUSE FILE 669

BY ISENHART

A BILL FOR

1 An Act relating to public utilities, including specified
2 energy-efficiency-related programs, tax credits, and
3 responsibilities of the Iowa energy center and office of the
4 consumer advocate.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 15.120, subsection 1, Code 2021, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *h.* To provide outreach and education to
4 utility ratepayers regarding energy efficiency and renewable
5 energy technology options and financing opportunities for
6 efficiently managing and reducing energy consumption, including
7 distributed energy storage technology.

8 Sec. 2. Section 422.11L, subsection 3, paragraph c, Code
9 2021, is amended to read as follows:

10 *c.* A taxpayer may claim more than one credit under this
11 section, but may claim only one credit per separate and
12 distinct solar installation or device used to store energy
13 generated by a solar installation. The department shall
14 establish criteria, by rule, for determining what constitutes a
15 separate and distinct installation.

16 Sec. 3. Section 422.11L, subsection 3, paragraph d,
17 subparagraph (1), Code 2021, is amended to read as follows:

18 (1) A taxpayer must submit an application to the department
19 for each separate and distinct solar installation and device
20 used to store energy generated by a solar installation. The
21 application must be approved by the department in order to
22 claim the tax credit. The application must be filed by May
23 1 following the year of the installation of the solar energy
24 system.

25 Sec. 4. Section 422.11L, subsection 4, paragraph a, Code
26 2021, is amended to read as follows:

27 *a.* The cumulative value of tax credits claimed annually by
28 applicants pursuant to ~~this section~~ shall not exceed ~~five~~ seven
29 million dollars. Of this amount, at least one million dollars
30 shall be reserved for claims associated with or resulting from
31 residential solar energy system installations. In the event
32 that the total amount of claims submitted for residential solar
33 energy system installations in a tax year is an amount less
34 than one million dollars, the remaining unclaimed reserved
35 amount shall be made available for claims associated with or

1 resulting from nonresidential solar energy system installations
2 or devices used to store energy generated by nonresidential
3 solar energy system installations received for the tax year.

4 Sec. 5. Section 475A.2, Code 2021, is amended by adding the
5 following new subsection:

6 NEW SUBSECTION. 7. Develop, format, and make available
7 for public use a standard energy cost disclosure statement for
8 utilization by landlords of residential property to communicate
9 to prospective tenants the historical gas, electric, water,
10 and sewer utility service costs for a dwelling unit. The
11 disclosure statement shall include the total annual or average
12 monthly utility service costs, and shall also include a
13 checklist to indicate the efficiency and other energy features
14 of a dwelling unit and the building of which it is a part.

15 Sec. 6. Section 476.6, Code 2021, is amended by adding the
16 following new subsection:

17 NEW SUBSECTION. 22. *Solar energy storage capacity.* A
18 rate-regulated electric utility may provide for solar
19 energy storage capacity paired with solar energy facility
20 installations in the state. Solar energy storage capacity
21 based on electrical output may be credited to the electric
22 utility's solar energy ownership or purchase requirements as
23 provided in section 476.44, subsection 2. For purposes of this
24 subsection, the economic development authority shall define by
25 rule adopted pursuant to chapter 17A the meaning of the term
26 "*storage*", consistent with the Iowa energy plan adopted by the
27 authority in December 2016.

28 Sec. 7. Section 476.44, subsection 2, Code 2021, is amended
29 to read as follows:

30 2. a. (1) An electric utility subject to [this subchapter](#),
31 except a utility that elects rate regulation pursuant to
32 section 476.1A, shall ~~not~~ be required to own or purchase, ~~at~~
33 ~~any one time, more than~~ from solar energy facilities located in
34 this state, its share of one hundred five megawatts of power
35 ~~from alternate energy production facilities or small hydro~~

1 ~~facilities~~ by January 1, 2023, and two thousand five hundred
 2 megawatts of power by January 1, 2027, at the rates established
 3 pursuant to [section 476.43](#). The board shall allocate the ~~one~~
 4 ~~hundred five megawatts~~ solar energy ownership or purchase
 5 requirements based upon each utility's percentage of the total
 6 Iowa retail peak demand, for the year beginning January 1,
 7 ~~1990~~ 2021, of all utilities subject to [this section](#). If a
 8 utility undergoes reorganization as defined in [section 476.76](#),
 9 the board shall combine the allocated purchases of ~~power~~ solar
 10 energy for each utility involved in the reorganization.

11 (2) In satisfying the solar energy ownership or purchase
 12 requirements pursuant to subparagraph (1), a minimum of ten
 13 percent of the energy produced or purchased shall be produced
 14 or purchased from solar energy facilities with a nameplate
 15 generating capacity of twenty kilowatts or less.

16 b. Notwithstanding the ~~one hundred five megawatt maximum~~
 17 solar energy ownership or purchase requirements established
 18 in paragraph "a", the board may increase the amount of ~~power~~
 19 solar energy that a utility is required to own or purchase at
 20 the rates established pursuant to [section 476.43](#) if the board
 21 finds that a utility, including a reorganized utility, exceeds
 22 its ~~1990~~ 2021 Iowa retail peak demand by twenty percent and
 23 the additional ~~power~~ solar energy the utility is required to
 24 purchase will encourage the development of ~~alternate energy~~
 25 ~~production facilities and small hydro~~ solar energy facilities.
 26 The increase shall not exceed the utility's increase in peak
 27 demand multiplied by the ratio of the utility's share of the
 28 ~~one hundred five megawatt maximum~~ solar energy ownership or
 29 purchase requirements to its ~~1990~~ 2021 Iowa retail peak demand.

30 Sec. 8. NEW SECTION. 476.61 Virtual net metering.

31 1. For purposes of this section, unless the context
 32 otherwise requires:

33 a. "*Solar garden*" means a solar panel installation that
 34 provides electricity to multiple electric utility customers and
 35 to which any of the following apply:

1 (1) An electric utility customer may purchase solar panels
2 within the installation.

3 (2) An electric utility customer may lease solar panels
4 within the installation.

5 *b. "Virtual net metering"* means a bill crediting system
6 that allows an electric utility customer to receive credits on
7 their electric bill for energy produced by the electric utility
8 customer's share of a solar garden.

9 2. The board shall adopt rules pursuant to chapter 17A
10 establishing processes and procedures allowing electric utility
11 customers to participate in, and receive credits on their
12 electric bills for, virtual net metering.

13 Sec. 9. NEW SECTION. **476.64 Master metering.**

14 1. For purposes of this section, unless the context
15 otherwise requires:

16 *a. "Master metering"* means a method of measuring the total
17 usage of public utilities by multiple persons in a multifamily
18 residence that utilizes a device that measures and registers
19 the integral of quantities of public utilities with respect to
20 time.

21 *b. "Owner"* means one or more persons, jointly or severally,
22 in whom is vested:

23 (1) All or part of the legal title to a multifamily
24 residence.

25 (2) All or part of the beneficial ownership and right to
26 present use and enjoyment of a multifamily residence.

27 2. The board shall adopt rules pursuant to chapter 17A
28 establishing processes and procedures, including an application
29 process, allowing an owner who is a public utility customer to
30 participate in master metering.

31 3. The board shall not approve an owner's application to
32 participate in master metering unless the application indicates
33 the owner's ability and intent to provide renewable energy
34 generation, energy efficiency technology, or infrastructure
35 improvements to a multifamily residence that is the subject of

1 the application.

2 4. An owner who successfully applies for master metering
3 shall not do any of the following:

4 a. Charge a tenant of the multifamily residence for the
5 tenant's public utility usage.

6 b. Enter into a lease agreement with a tenant that is
7 structured to account for the variance in energy usage by the
8 tenants of the multifamily residence.

9 EXPLANATION

10 The inclusion of this explanation does not constitute agreement with
11 the explanation's substance by the members of the general assembly.

12 This bill relates to public utilities, including duties
13 of the Iowa energy center with regard to energy efficiency
14 outreach, solar energy system tax credits, duties of the office
15 of the consumer advocate with regard to disclosure of certain
16 energy costs, solar energy storage capacity and ownership or
17 purchase requirements applicable to certain electric utilities,
18 and new metering methods.

19 The bill requires the Iowa energy center to provide
20 outreach and education to utility ratepayers regarding energy
21 efficiency, renewable energy technology options, and financing
22 opportunities for efficiently managing energy consumption.

23 Current law limits to \$5 million annually the amount of solar
24 energy tax credits a person may claim. The bill increases this
25 annual amount to \$7 million. The bill also allows a person to
26 claim solar energy tax credits in conjunction with devices used
27 to store energy generated by a solar installation.

28 The bill requires the office of the consumer advocate to
29 develop and make available for public use a standard energy
30 cost disclosure statement for utilization by landlords of
31 residential property to communicate to prospective tenants the
32 historical utility service costs for a dwelling unit. The
33 disclosure statement shall include the total annual or average
34 monthly utility service costs and other energy features of a
35 dwelling unit and the building of which it is a part.

1 The bill allows a rate-regulated electric utility to provide
2 for solar energy storage capacity paired with solar energy
3 facility installations in Iowa. Storage capacity based on
4 electrical output may be credited to the utility's solar energy
5 ownership or purchase requirements as provided in the bill.
6 The Iowa economic development authority shall define by rule
7 the meaning of the term "storage", consistent with the Iowa
8 energy plan adopted by the authority.

9 Current law requires electric utilities to own alternate
10 energy production facilities or small hydro facilities located
11 in Iowa, or to enter into long-term contracts to purchase
12 electricity from such facilities. An electric utility is not
13 required to own or purchase, at any one time, more than its
14 share of 105 megawatts of power from such facilities.

15 The bill modifies the alternate energy ownership or purchase
16 requirement to make it applicable strictly to solar energy
17 derived from solar energy facilities located in Iowa, and
18 requires an electric utility to own or purchase its share of
19 105 megawatts of power by January 1, 2023, and 2,500 megawatts
20 of power by January 1, 2027. Of these amounts, a minimum of
21 10 percent of the energy produced or purchased shall be from
22 solar energy facilities with a nameplate generating capacity
23 of 20 kilowatts or less. The bill makes conforming changes to
24 related provisions.

25 The bill directs the Iowa utilities board to adopt rules
26 allowing for virtual net metering. The bill defines "virtual
27 net metering" as a bill crediting system that allows an
28 electric utility customer to receive credits on their electric
29 bill for energy produced by the electric utility customer's
30 share of a solar garden. The bill defines "solar garden" as a
31 solar panel installation that provides electricity to multiple
32 electric utility customers and in which an electric utility
33 customer may either purchase or lease solar panels.

34 The bill also directs the board to adopt rules allowing
35 for master metering for owners of a multifamily residence.

1 The bill defines "master metering" as a method of measuring
2 the total usage of public utilities by multiple persons in a
3 multifamily residence that utilizes a device that measures
4 and registers the integral of quantities of public utilities
5 with respect to time. The bill defines "owner" as a person or
6 persons in whom legal title or beneficial ownership and right
7 to present use of a multifamily residence is vested.

8 The bill provides the board shall not approve an owner's
9 application for master metering unless the application
10 indicates the owner's ability and intent to provide renewable
11 energy generation, energy efficiency technology, or
12 infrastructure improvements to the multifamily residence. The
13 bill prohibits an owner who successfully applies for master
14 metering from charging tenants of the multifamily residence
15 for their individual public utility usage, or entering into
16 leases with tenants which leases are structured to account for
17 variance in energy usage by the tenants of the multifamily
18 residence.